

Opening Statement of the Honorable Ed Whitfield
Subcommittee on Energy and Power
Hearing on “Strategic Petroleum Reserve Discussion Draft and Title IV
Energy Efficiency”
April 30, 2015

(As Prepared for Delivery)

Today, this subcommittee continues its work on the discussion draft of our bipartisan energy bill. We began the dialogue last week with a hearing on the energy workforce title to the bill. And now, we move on to the provisions dealing with the Strategic Petroleum Reserve (SPR) and energy efficiency.

The current debate over the SPR is a familiar one to those who have witnessed how America’s dramatically-changed energy landscape has rendered many existing policies out of date. The SPR was created under the Energy Policy and Conservation Act of 1975, and has since served as an insurance policy in the form of an emergency stockpile of oil. However, much has changed over the last 40 years, and there is bipartisan agreement that we are overdue to update the SPR to reflect the needs of 2015 and beyond.

For one thing, fears of increased dependence on oil from unfriendly producers and unstable regions has been replaced by the reality of growing American production as well as rising imports from Canada. The risk remains of a supply disruption necessitating an SPR release, but the nature and extent of the risk has changed.

In addition, as noted in the Department of Energy’s recent Quadrennial Energy Review, there are many infrastructure issues associated with the SPR. Specifically, the oil boom is underway near the SPR’s locations in Louisiana and Texas and is already stretching the local infrastructure to its limits. This raises questions whether there is sufficient infrastructure available to successfully draw down the SPR in an emergency. Further, DOE and others have found that the 40-year old stockpile is in a poor state of repair, raising doubts about whether it is ready to be utilized in a timely and efficient manner. There are also questions about the legal trigger for tapping the SPR and whether it constrains the President from anticipating problems justifying a release.

The SPR provisions in the discussion draft require DOE to conduct a strategic review of the SPR with an eye towards reforming the program for the near and long-term. This review will address issues about the proper size, configuration, and location of the SPR, as well as any necessary repairs and infrastructure additions to the system. It will also explore potential legal changes regarding what triggers an SPR release. This review will help Congress as we consider the next steps in updating the nation’s emergency oil stockpile.

The bill also contains a number of energy efficiency provisions. Many of them deal with ways for the federal government, by far the nation’s largest energy user, to do more with less. This includes provisions that would help expand the use of energy savings performance contracts for federal facilities. There are also requirements for DOE to look into potential energy savings from federal data centers and through the use of thermal insulation, as well as other ideas that may help reduce federal energy expenditures. It also eliminates the potentially costly and unrealistic requirement that federal buildings use no fossil fuel-generated energy by 2030.

The draft bill also contains measures affecting the private sector, which has been the source of most energy efficiency breakthroughs over the years. This includes greater legal certainty for the Energy Star program, the inclusion of Smart Grid capability on Energy Guide labels, and voluntary verification programs for several appliances. It also clarifies DOE’s role in setting model building codes, and prevents

a proposed residential gas furnace efficiency standard from being finalized until the agency gathers more evidence on whether it is technologically feasible and economically justified.

Both SPR and energy efficiency are two topics on which we should be able to agree on the path forward. I look forward to a discussion on these critical components of our energy bill.

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